

**LAND AUTHORITY GOVERNING BOARD
AGENDA ITEM SUMMARY**

Meeting Date: May 18, 2005

Division: Land Authority

Bulk Item: Yes ☐ No ☒

Staff Contact Person: Mark Rosch

Agenda Item Wording: Approval of a resolution authorizing the subordination of the Land Authority's mortgage loan for Meridian West Apartments.

Item Background: The Carlisle Group proposes to refinance its debt for Meridian West Apartments on Stock Island. More specifically, Carlisle proposes to increase the \$3,120,000 first position mortgage loan held by Neighborhood Lending Partners by up to \$680,000. This proposal will require the approval of the junior lien holders, which include Florida Housing Finance Corporation (FHFC) and the Land Authority.

The Land Authority holds a \$1,500,000 zero-interest, fifty-year mortgage loan in third position on the property, behind FHFC's \$2,000,000 SAIL loan. The proposed resolution will authorize subordination to up to \$680,000 of additional debt, provided FHFC also agrees to subordinate. The attached table summarizes how the project's debt structure has changed over time.

The increased debt should not pose a significant risk to Carlisle's ability to repay the Land Authority's loan, since the repayment of all senior debt is due 20 years prior to the Land Authority loan. The increased debt will allow Carlisle to receive its FHFC-approved developer fees sooner.

Advisory Committee Action: On April 27, 2005 the Committee voted 3/1 to approve this item.

Previous Governing Board Action: 3/20/02 initial funding resolution for \$1.5 M loan approved; 6/19/02 donation of 25 ROGO allocations and 6 nutrient credits to project approved; 6/18/03 disbursement of loan proceeds prior to SAIL loan closing approved; 9/25/03 revised financing schedule approved; 2/18/04 subordination to additional SAIL loan approved

Contract/Agreement Changes: Increase amount of senior debt by up to \$680,000 if FHFC concurs.

Staff Recommendation: Approval.

Total Cost: N/A


Budgeted: Yes ☐ No ☐

Cost to Land Authority: N/A

Source of Funds: N/A

Approved By: Attorney ☒ County Land Steward ☐

Executive Director Approval: _____


Mark J. Rosch

Documentation: Included: ☒

To Follow: ☐

Not Required: ☐

Disposition: _____

Agenda Item _____

RESOLUTION NO. _____

A RESOLUTION OF THE MONROE COUNTY
COMPREHENSIVE PLAN LAND AUTHORITY AUTHORIZING
SUBORDINATION OF THE LAND AUTHORITY'S MORTGAGE
LOAN FOR THE MERIDIAN WEST AFFORDABLE HOUSING
DEVELOPMENT.

WHEREAS, section 380.0666(3), Florida Statutes (FS) and section 9.3-2, Monroe County Code, empower the Monroe County Comprehensive Plan Land Authority (hereinafter "Land Authority") to acquire an interest in real property for the purpose of providing affordable housing to very low, low, or moderate income persons as defined in section 420.0004, FS, where said acquisitions are consistent with a comprehensive plan adopted pursuant to Chapter 380, FS; and

WHEREAS, in accordance with Resolutions 01-2002, 04-2003, 09-2003, and 01-2004, the Land Authority holds a 50-year, zero-interest non-recourse mortgage loan executed by Meridian West, Ltd. in the amount of \$1,500,000 to offset the land cost in providing 102 units of affordable housing known as Meridian West Apartments on Stock Island to provide rental housing for persons of very low and low incomes; and

WHEREAS, in accordance with Resolution 01-2004, the debt senior to the Land Authority's mortgage currently totals \$5,120,000 and consists of a \$3,120,000 first mortgage and a \$2,000,000 SAIL loan; and;

WHEREAS, Meridian West, Ltd. requests that the Land Authority subordinate its mortgage to allow the first mortgage to increase by up to \$680,000; and

WHEREAS, the Land Authority Advisory Committee considered this request on April 27, 2005 and voted 3/1 to recommend approval; NOW, THEREFORE,

BE IT RESOLVED BY THE MONROE COUNTY COMPREHENSIVE PLAN LAND AUTHORITY that the Governing Board Chairman is hereby authorized to execute documents subordinating the Land Authority's \$1,500,000 mortgage to up to \$680,000 of additional debt as indicated below.

Section 1. The Land Authority's mortgage may be subordinated to no more than \$5,800,000 of debt consisting of a first mortgage in an amount not to exceed \$3,800,000 in favor of Neighborhood Lending Partners of South Florida, Inc. and a \$2,000,000 SAIL loan in favor Florida Housing Finance Corporation (FHFC).

Section 2. The authorization granted by this resolution is contingent upon FHFC's approval to subordinate its SAIL loan to the above refinancing and shall be null and void in the event FHFC denies the subordination request.

PASSED AND ADOPTED by the Monroe County Comprehensive Plan Land Authority at a regular meeting on this _____ day of _____ 2005.

(Seal)

ATTEST:

MONROE COUNTY COMPREHENSIVE
PLAN LAND AUTHORITY

Mark J. Rosch
Executive Director

David P. Rice
Chairman

Approved for Legal Form

Larry R. Erskine

Meridian West Debt Structure Table

Lien Position	Lender	Debt at Closing Resolution 09-2003	1st Amendment Resolution 01-2004	2nd Amendment Requested 4/2005
1st Position	Neighborhood Lending Partners	\$3,450,000	\$3,120,000	up to \$3,800,000
2nd Position	FHFC SAIL Loan	\$1,000,000	\$2,000,000	\$2,000,000
3rd Position	Land Authority	\$1,500,000	\$1,500,000	\$1,500,000
4th Position	CDFI Loan	\$330,000	\$330,000	\$330,000
5th Position	NLP/CDFI Loan	\$100,000	\$100,000	\$100,000
6th Position	SHIP Loan	\$75,000	\$75,000	\$75,000

Total Debt	\$6,455,000	\$7,125,000	\$7,805,000
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THE CARLISLE GROUP

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CARLISLE DEVELOPMENT GROUP, LLC
CARLISLE CONSTRUCTION, LLC

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April 14, 2005

Mark Rosch
Monroe County Land Authority
1200 Truman Avenue
Key West, Florida 33040

Re: Meridian West

Dear Mark,

Attached is our most up-to-date pro forma for Meridian West. It shows that due to the recent increase in maximum allowable rents for Monroe County and efficient operating numbers after several months of operations, we are able to increase our senior debt by up to \$680,000. The State is currently underwriting an increase in our first mortgage amount from the original amount of \$3,120,000 to an amount up to \$3,800,000. I have also attached a copy of the commitment letter from Neighborhood Lending Partners (our first mortgage provider) for your review.

We are currently getting approvals from the Florida Housing Finance Corporation and each of our lenders for this new first mortgage amount. I am contacting you to request that the Monroe County Land Authority Board approve the subordination of its mortgage on Meridian West to up to \$680,000 in additional debt.

When the State originally underwrote this development, we were forced to defer the majority of our allowable developer fee in order to make this project feasible. An increase to the first mortgage allows us to realize more of these developer fees. These fees are the lifeblood of our company; they allow us to pay overhead and they provide the incentive to build more developments like Meridian West in Monroe County.

Please contact Ken Naylor or me with any questions at 305-476-8118.

Sincerely,


Lloyd J. Boggio
Chief Executive Officer

Cc: Mayor Dixie Spehar, Monroe County
Ed Swift, Historic Tours of America
John Sorensen, The Carlisle Group

1) Project Information - Meridian West

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Project Name	Meridian West
City, State	Key West, FL
County	Monroe
Ownership Entity	Limited Partner
DDA/QCT (yes=1,no=2)	1

Project Type	("x")
New Construction	x
Acquisition/Rehabilitation	
Rehabilitation	

Qualifying Program	("x")
20% @ 50%	
40% @ 60%	X
% of Affordable Housing Units	100.00%

Timing		Elapsed Months	Cumulative Months
Financial Projection Revision Date	14-Apr-05		
Closing Date	August-03		
First Unit Leased	September-04	13	13
Last Unit Leased	December-04	3	16
Permanent Loan Closing Date	March-05	3	19

Lease-up Information	
# of Leases upon initial C/O	35
# of Leases per Month	25

Bond Deal:	no
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Financing Vehicle	{1=9%,2=te}	Credit %
LIHTC 9%	1	
Tax-Exempt Bonds/4% LIHTC	0	
501 C3 Bonds		
SAIL Loan		

Utility Allowance	Amount	Sq. Footage
Studio	0	
1 bedroom	84	600
2 bedroom	102	816
3 bedroom	133	1,033
4 bedroom	0	0

Median Income 2003	56,500
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County Name: Monroe	Input Desired %'s
Income Eligibility	120.00% 60% 30%
1 bedroom	75% 50,850 25,425 12,713
Calculated Monthly Rents	1271.25 635.63 317.81
2 bedroom	90% 61,020 30,510 15,255
Calculated Monthly Rents	1525.50 762.75 381.38
3 bedroom	104% 70,512 35,256 17,628
Calculated Monthly Rents	1762.8 881.4 440.7
4 bedroom	116% 78,648 39,324 19,662
Calculated Monthly Rents	1966.2 983.10 491.55

Distribution	% Units	% SF	% Income
VLI	16.67%	16.67%	7.82%
LI	83.33%	83.33%	92.18%
MKT	0.00%	0.00%	0.00%

Rent Schedule	# of Units	Unit Type VLI/LI/MKT	Rent Limit	Unit Sq. Ft.	HUD Rents	Actual Rent	Net (less U/A) Rent	Total Rent Monthly	Total Rent Annual	Total Sq. Ft.	Rent P.S.F.	Monthly P.S.F.
1 Bedroom	3	VLI	30%	600	317.81	329	245	735	8,820	1,800	4.90	2,940
1 Bedroom							0	0	0	0	0.00	0
1 Bedroom	14	LI	60%	600	635.63	657	573	8,022	96,264	8,400	11.46	\$ 0.96
2 Bedroom	11	VLI	30%	816	381.38	395	293	3,223	38,676	8,976	4.31	\$ 0.36
2 Bedroom							0	0	0	0	0.00	\$ -
2 Bedroom	57	LI	60%	816	762.75	789	687	39,159	469,908	46,512	10.10	\$ 0.84
3 Bedroom	3	VLI	30%	1,033	440.70	456	323	969	11,628	3,099	3.75	\$ 0.31
3 Bedroom							0	0	0	0	0.00	\$ -
3 Bedroom	14	LI	60%	1,033	881.40	912	779	10,906	130,872	14,462	9.05	\$ 0.75
4 Bedroom							0	0	0	0	0.00	\$ -
4 Bedroom							0	0	0	0	0.00	\$ -
4 Bedroom							0	0	0	0	0.00	\$ -
Manager Unit												
Total	102			4,898				63,014	756,168	83,249	\$ 9.08	\$ 0.76

Operating Expenses	Total	Per Unit	P.S.F. (rentable)	No	One full time manager and one full time maintenance person on permanent basis.	Other Income	Per Unit	Per Annum	KN: 68 in-unit w/d's at \$30/month with 100% penetration, plus \$25 PUPY of common area fees
Administrative (and Mktg)	36,965	362.40	0.44			Laundry	243	24,786	
Management Fee	30,674	300.73	0.37	4.00%		Cable	122.4	12,485	
Utilities	30,906	303.00	0.37			Garage	0	0	
Payroll, Taxes & Benefits	73,338	719.00	0.88			Other	110	11,220	
R & M	78,948	774.00	0.95		KN: Actuals based on reduced premiums	Total Other Income	475.4	48,491	KN: 80% current penetration @ \$12 per unit per month income. We expect this to increase to 85%.
Insurance	26,418	259.00	0.32			Vacancy Rate		5%	KN: Includes app fees, tenant damages fees, and miscellaneous.
Real Estate Taxes	50,694	497.00	0.61						Current vacancy (actual and economic) is less than 2%.
Ground Lease Payments	0	0.00	0.00						
Replacement Reserves	20,400	200.00	0.25		KN: Current Millage Rate of 10.68 * Appraised Value of \$4,750,000				
Total	348,343	3,415.13							
Total Debt Service Coverage		1.07%							

2) Sources & Uses Input area - Meridian West - Key West , FI

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Financing Detail {A}

Permanent 1st Mortgage		Ref.
Lender Name	Perm	
Construction/Permanent (y=1,n=2)	2	
Amount	3,800,000	
Interest Rate	7.390%	
Amortization Period (in months)	360	
Monthly Payment	26,285	
Annual Payment	315,414	
D.S.C. Required	1.10	
Origination Fee	1.00%	
Permanent Loan Closing Costs	0.15%	

Permanent 2nd Mortgage		Ref.
Lender Name	FHFC SAILS	
Construction/Permanent (y=1,n=2)	1	
Amount	2,000,000	
Interest Rate	3.42%	
Amortization Period (in months)	0	
Monthly Payment	5,700	
Annual Payment	68,400	
D.S.C. Required	1.10	
Origination Fee	1.00%	
Permanent Loan Closing Costs	0.30%	

Permanent 3rd Mortgage		Ref.
Lender Name	CDFI	
Construction/Permanent (y=1,n=2)	1	
Amount	330,000	Yrs 1-15 1%
Interest Rate	1.00%	Interest only
Amortization Period (in months)	0	Yrs 16-30 3%
Monthly Payment	275	Princ + Int
Annual Payment	3,300	
D.S.C. Required	1.10	
Origination Fee	1.00%	
Permanent Loan Closing Costs	0.30%	

Construction Loan		Ref.
Lender Name	Bank	
Construction	yes	
Amount	3,120,000	
Interest Rate	4.00%	
Amortization Period (in months)		
Monthly Payment	10,400	
Annual Payment	124,800	
D.S.C. Required		
Origination Fee	1.00%	
Construction Loan Closing Costs	0.00%	

Bridge Loan		Ref.
Lender Name	NLP	
Construction/Permanent (y=1,n=2)		
Amount		
Interest Rate	0.00%	
Amortization Period (in months)		
Monthly Payment	0	
Annual Payment	0	
D.S.C. Required		
Origination Fee	1.00%	
Permanent Loan Closing Costs	0.20%	

Additional Funds		Ref.
Lender Name	NLP/CDFI	
Construction/Permanent (y=1,n=2)		
Amount	100,000	Yrs 1-15 3%
Interest Rate	3.00%	
Amortization Period (in months)		Yrs 16-30 3%
Monthly Payment		
Annual Payment	3,000	
D.S.C. Required		
Origination Fee		
Permanent Loan Closing Costs		

4) Sources & Uses - Meridian West - Key West , Fl

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Sources	Ref.	Permanent Phase		
		Total	%	Per Unit
Tax-Exempt Bonds		0	0.00%	0
Permanent 1st Mortgage		3,800,000	23.98%	37,255
FHFC SAILS		2,000,000	12.62%	19,608
CDFI		330,000	2.08%	3,235
Construction Loan			0.00%	0
Bridge Loan			0.00%	0
Interest Income		0	0.00%	0
GP Equity			0.00%	0
NLP/CDFI		100,000	0.63%	980
KW Land Authority	Balloons in 50	1,500,000	9.46%	14,706
Limited Partner Equity		7,905,000	49.88%	77,500
SHIP (no debt pmts on loan)		75,000	0.47%	735
Deferred Developer Fee		138,549	0.87%	1,358
Total Sources		15,848,549	100.00%	155,378

Construction Phase		
Total	%	Per Unit
0	0.00%	0
0	0.00%	0
2,000,000	13.78%	19,608
330,000	2.27%	3,235
3,120,000	21.50%	30,588
0	0.00%	0
0	0.00%	0
0	0.00%	0
100,000	0.69%	980
1,500,000	10.33%	14,706
7,389,000	50.91%	72,441
75,000	0.52%	735
	0.00%	0
14,514,000	100.00%	142,294

Uses		Permanent Phase		
		Total	%	Per Unit
Hard Construction Costs		8,159,000	51.48%	79,990
GC Profit		489,000	3.09%	4,794
GC General Requirements		489,000	3.09%	4,794
GC Overhead		163,000	1.03%	1,598
Accessory Buildings		0	0.00%	0
Recreational / Owner Items		419,740	2.65%	4,115
Off-Site Improvements			0.00%	0
Hard Cost Contingency @:	4.2%	359,415	2.27%	3,524
Other			0.00%	0
Construction Interest Expense		113,374	0.72%	1,112
Bridge Loan Interest Expense		0	0.00%	0
Permanent Loan Origination Fee		38,800	0.24%	380
Permanent Loan Closing Costs		7,000	0.04%	69
Construction Loan Origination Fee		47,040	0.30%	461
Construction Loan Closing Costs		0	0.00%	0
Bridge Loan Origination Fee		0	0.00%	0
SAIL Loan Commitment Fee		20,000	0.13%	196
Other Loan Closing Costs		9,050	0.06%	89
Rate Lock			0.00%	0
Accounting Fees		25,000	0.16%	245
Application Fees		0	0.00%	0
Appraisal		13,500	0.09%	132
Architect Fee-Design		143,614	0.91%	1,408
Architect Fee-Supervision		13,303	0.08%	130
Builder's Risk Insurance		0	0.00%	0
Building Permit		3,440	0.02%	34
Brokerage Fee		0	0.00%	0
Credit Underwriting Fee		28,730	0.18%	282
Engineering Fee		47,634	0.30%	467
Environmental Report		18,824	0.12%	185
FHFC Administrative Fees		81,600	0.51%	800
FHFC Application Fees		4,000	0.03%	39
FHFC Compliance Mon. Fee		67,306	0.42%	660
Impact Fees (Detail)		0	0.00%	0
Inspection Fees		73,074	0.46%	716
Insurance- Property/Liability		16,345	0.10%	160
Legal Fees- Partnership		88,000	0.56%	863
Legal Fees- Other		41,007	0.26%	402
Market Study		11,500	0.07%	113
Marketing & Advertising		101,373	0.64%	994
Operating Deficit Reserve		0	0.00%	0
Property Taxes		29,872	0.19%	293
Rate Lock Fee		69,000	0.44%	676
Survey(including as-built)		9,990	0.06%	98
Title Insurance & Recording		118,027	0.74%	1,157
Utility Connection Fee		558,725	3.53%	5,478
Other		0	0.00%	0
Contingency (Soft Cost)		24,074	0.15%	236
Sub-Total		11,902,355		
Existing Buildings, Owned		0	0.00%	0
Existing Buildings, To be Acquired		0	0.00%	0
Other Acquisition Costs		0	0.00%	0
Land, owned		0	0.00%	0
Land, To be Acquired		2,220,000	14.01%	21,765
Other Land Costs		243,007	1.53%	2,382
Developer's Admin. & Overhead	4.0%	476,094	3.00%	4,668
Developer's Profit Acquisition	5.0%	0	0.00%	0
Developer's Profit	8.5%	1,007,093	6.35%	9,873
Total Project Cost		15,848,549	100.00%	155,378

Construction Phase		
Total	%	Per Unit
8,159,000	56.21%	79,990
489,000	3.37%	4,794
489,000	3.37%	4,794
163,000	1.12%	1,598
0	0.00%	0
419,740	2.89%	4,115
0	0.00%	0
359,415	2.48%	3,524
0	0.00%	0
113,374	0.78%	1,112
0	0.00%	0
38,800	0.27%	380
7,000	0.05%	69
47,040	0.32%	461
0	0.00%	0
0	0.00%	0
20,000	0.14%	196
9,050	0.06%	89
0	0.00%	0
25,000	0.17%	245
0	0.00%	0
13,500	0.09%	132
143,614	0.99%	1,408
13,303	0.09%	130
0	0.00%	0
3,440	0.02%	34
0	0.00%	0
28,730	0.20%	282
47,634	0.33%	467
18,824	0.13%	185
81,600	0.56%	800
4,000	0.03%	39
67,306	0.46%	660
0	0.00%	0
73,074	0.50%	716
16,345	0.11%	160
88,000	0.61%	863
41,007	0.28%	402
11,500	0.08%	113
101,373	0.70%	994
0	0.00%	0
29,872	0.21%	293
69,000	0.48%	676
9,990	0.07%	98
118,027	0.81%	1,157
558,725	3.85%	5,478
0	0.00%	0
24,074	0.17%	236
11,902,355		
0	0.00%	0
0	0.00%	0
0	0.00%	0
0	0.00%	0
2,220,000	15.30%	21,765
243,007	1.67%	2,382
148,638	1.02%	1,457
	0.00%	0
	0.00%	0
14,514,000	100.00%	142,294

Financing Gap surplus/(short)

0

(0)

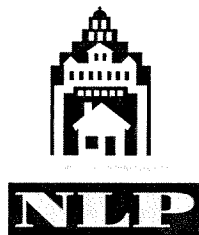
7) Operating Statement - Meridian West - Key West, Fl

	Year 1	Per Unit	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15
Income:																
Net Rental Income	756,168	7,413	778,853	802,219	826,285	851,074	876,606	902,904	929,991	957,891	986,628	1,016,227	1,046,713	1,078,115	1,110,458	1,143,772
Reserve for Vacancy @ 5.0%	(37,808)	(371)	(38,943)	(40,111)	(41,314)	(42,554)	(43,830)	(45,145)	(46,500)	(47,895)	(49,331)	(50,811)	(52,336)	(53,906)	(55,523)	(57,189)
Laundry Income	24,786	243	25,530	26,295	27,064	27,897	28,734	29,596	30,484	31,398	32,340	33,310	34,310	35,339	36,399	37,491
Cable Income	12,485	122	12,859	13,245	13,642	14,052	14,473	14,908	15,355	15,815	16,290	16,779	17,282	17,800	18,334	18,884
Garage Income																
Other Income	11,220	110	11,557	11,903	12,260	12,628	13,007	13,397	13,799	14,213	14,640	15,079	15,531	15,997	16,477	16,971
Total Income	766,850	7,518	789,856	813,552	837,958	863,097	888,990	915,659	943,129	971,423	1,000,566	1,030,583	1,061,500	1,093,345	1,126,146	1,159,930
Expenses:																
Administrative	36,965	362	38,074	39,216	40,392	41,604	42,852	44,138	45,462	46,826	48,231	49,678	51,168	52,703	54,284	55,913
Management Fee @ 4.0%	30,674	301	31,594	32,542	33,518	34,524	35,560	36,626	37,725	38,857	40,023	41,223	42,460	43,734	45,046	46,397
Utilities	30,906	303	31,833	32,788	33,772	34,785	35,829	36,903	38,010	39,151	40,325	41,535	42,781	44,065	45,387	46,748
Payroll, Taxes & Benefits	73,338	719	75,538	77,804	80,138	82,543	85,019	87,569	90,196	92,902	95,689	98,560	101,517	104,562	107,699	110,930
R & M	78,948	774	81,316	83,756	86,269	88,857	91,522	94,268	97,096	100,009	103,009	106,100	109,282	112,561	115,938	119,416
Insurance	26,418	259	27,211	28,027	28,868	29,734	30,626	31,544	32,491	33,466	34,469	35,504	36,569	37,666	38,796	39,960
Real Estate Taxes	50,694	497	52,215	53,781	55,395	57,057	58,768	60,531	62,347	64,218	66,144	68,128	70,172	72,278	74,446	76,679
Replacement Reserves	20,400	200	20,400	20,400	20,400	20,400	21,012	21,012	21,012	21,012	21,012	21,642	21,642	21,642	21,642	21,642
Ground Lease Payments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Expenses	348,343	3,415	358,181	368,315	378,752	389,503	401,188	412,593	424,340	436,440	448,903	462,370	475,582	489,210	503,237	517,685
Net Operating Income	418,508	4,103	431,675	445,237	459,206	473,594	487,802	503,067	518,789	534,983	551,663	568,213	585,908	604,135	622,908	642,245
Debt Service:																
1st Mortgage	(a)	3,092	315,414	315,414	315,414	315,414	315,414	315,414	315,414	315,414	315,414	315,414	315,414	315,414	315,414	315,414
FHFC SALLS		671	68,400	68,400	68,400	68,400	68,400	68,400	68,400	68,400	68,400	68,400	68,400	68,400	68,400	68,400
CDFI		32	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
NLP/CDFI		29	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Total Debt Service		3,825	390,114	390,114	390,114	390,114	390,114	390,114	390,114	390,114	390,114	390,114	390,114	390,114	390,114	390,114
Distributable Cashflow		278	41,561	55,123	69,092	83,480	97,688	112,952	128,675	144,869	161,549	178,099	195,794	214,021	232,794	252,131

D.S.C

1.33% (a) only
1.09% (a+b)
1.08% (a+b+c)
1.07% (a+b+c+d)

1.07%



**Neighborhood Lending Partners
of South Florida, Inc.**

Member Banks:

BAC Florida Bank
BankUnited, FSB
Coconut Grove Bank
Commercebank, NA
Commercial Bank of Florida
Continental National Bank
of Miami
Eastern National Bank
Enterprise National Bank of
Palm Beach
Espirito Santo Bank
Eurobank
First National Bank of
South Miami
First Southern Bank
Florida Savings Bank
Gibraltar Bank, FSB
Heim Bank
Hemisphere National Bank
Intercredit Bank, NA
International Bank of Miami
Kislak National Bank
MetroBank of Dade County
Ocean Bank
Optimum Bank
Pacific National Bank
Premier Community Bank
of South Florida
Regent Bank
Southtrust Bank
Totalbank
TransAtlantic Bank
UniBank
Union Bank of Florida

March 3, 2005

Meridian West, Ltd.
% Mr. Mitchell Rosenstein
2950 S.W. 27th Avenue, Suite 200
Coconut Grove, FL 33133

Subject: Meridian West Apartments Permanent Financing

Dear Mr. Rosenstein:

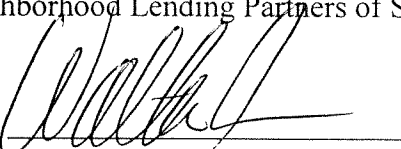
The subject loan was originally approved for an amount not to exceed \$3,450,000.00. However, due to an increase in the maximum allowable rents by Florida Housing Finance Corporation, you have requested that Neighborhood Lending Partners of South Florida, Inc. increase the permanent loan by \$350,000.00 from \$3,450,000.00 to \$3,800,000.00. Neighborhood Lending Partners of South Florida, Inc. ("Lender") is pleased to inform you that your request has been approved.

All original terms and conditions stated in the original commitment letter dated August 22, 2003 and the executed loan documents still govern the transaction. Borrower agrees to execute any loan documents that are required by Lender to increase the loan amount pursuant this letter. This letter only increases the permanent loan amount as stated above. Please sign in the appropriate space below on the enclosed duplicate hereof and return the same to us at our address set forth hereon.

Sincerely,

Neighborhood Lending Partners of South Florida, Inc.

By:


Walter Stamper
Vice President

ACCEPTED AND AGREED TO THIS 9TH DAY OF MARCH, 2005

BORROWER'S SIGNATURE BLOCK

Meridian West, Ltd.

By: LLOYD J. BOGGIO
Print Name

By: [Signature]
Signature

As its: PRESIDENT OF G.P.

GUARANTOR SIGNATURE BLOCK

[Signature]
Lloyd J. Boggio

[Signature]
Bruce Greer